



Remarks For

The Hon. Steven Preston  
Administrator  
U.S. Small Business Administration

Delivered At The

**25<sup>th</sup> ANNUAL MED WEEK CONFERENCE**

Washington, DC

September 14, 2007  
12:00 pm

Thank you, Ron, for that very kind introduction. It's wonderful to be with you today, and very exciting to be with men and women so dedicated to the success of minority business owners. There are so many people to thank for working so hard to advance minority business ownership and to make this event a success. The Secretary of Commerce, Carlos Gutierrez, is a tremendous advocate, and Ron Langston has worked tirelessly on this event for several years. Benita Fortner, Chair Emeritus of National MED Week, helped lead this event for many years, and her impact is still seen in today's event. I want to thank this year's Co-Chairs, Massey Villarreal and Brenda Schneider, for including me in this year's celebration, and for your hard work in making this 25<sup>th</sup> anniversary celebration such a success.

One of the most gratifying aspects of my role as head of the SBA over the past year has been to see and work with so many organizations across the country that support minority entrepreneurship, and personally, to become increasingly engaged in driving our programs to reach minority entrepreneurs more successfully.

As we celebrate the 25<sup>th</sup> anniversary of MED Week, I want to share with you a quote from President Reagan upon proclaiming the first MED Week in 1982. He said, "The talents, insights, and hard work of minority Americans are adding to our Nation's technological prowess, providing us with new solutions for important problems and creating jobs in many industries, some of which did not even exist only a few years ago.

This is the genius of economic freedom, and we should do everything in our power to preserve this freedom and expand it so that opportunity for all will continue to be the defining characteristic of our society.”

President Reagan wrote these words in the early 1980’s, when minorities owned about 7 percent of all U.S. business enterprises. Today, that number is greater than 18 percent. And behind those statistics is an even bigger story as we consider the lives of millions of minority business owners and their families that have been dramatically improved through the power of entrepreneurship. They have created jobs for others, and in some cases, whole communities have been transformed because of the economic activity, risk-taking, sweat, and courage that stand behind that simple statistic.

This is the powerful force of ownership. President Bush once said,

*“If you own something, you have a vital stake in the future of our country. The more ownership there is in America, the more vitality there is in America, and the more people have a vital stake in the future of this country.”*

That’s why the President has worked so hard to drive forward policies that improve the ability of entrepreneurship to thrive, like reducing taxes, ensuring regulatory fairness, and access to more affordable health care.

Whether we think of that driving force as the “genius of economic freedom” or “ownership,” entrepreneurship is part of our national DNA and the abiding energy source of the tremendous economic engine we have in our country. And as I look out at you all, I see the reflection of that vitality hundreds of times over.

Lani Hay, the National Minority Business Person of the Year, is a wonderful example of minority business spirit. A native Hawaiian, she served in the US Navy as an intelligence officer. When she left the service, she founded Lanmark Technology, in Fairfax, VA. What started out as a one woman shop has grown into a multi-million dollar technology enterprise providing services and systems to the federal government. Lani has used her business success to enrich her community too, serving as a mentor to other entrepreneurs, and working with a host of inner-city, minority and underserved support groups. This work includes the Hay-Smith Foundation, a nonprofit organization organized to support the education and empowerment of underserved individuals in the United States and abroad.

Another wonderful success story is On-Target Supplies & Logistics, a supply and custodial service company, in inner-city Dallas. Founded by Albert Black in 1982 with two employees doing part-time work, it has grown to 190 employees, doing more than \$75 million in business.

Albert grew up in government-subsidized housing. His father encouraged him to enter business for himself. After college, he worked full-time, and saved money to start On-Target. He also got his MBA on the weekends.

This is a great story, but not just because Albert used the power of entrepreneurship to create a better life for himself and his family. He's also investing in his employees and the community. He's deeply committed to helping every employee improve their life.

Albert says, "We work with people on education. If you don't have a bachelor's degree, if you don't have a high school diploma, we'll send you back to school and we'll pay for it. It's that important to us. I don't remember a situation where we've invested in education that I didn't feel like the company got more than a fair return."

He also imparts the financial literacy that was so helpful to him in his employees. He teaches classes on how to spend wisely and manage the money they are earning. Ninety-five percent of his employees are enrolled in the company 401(k) plan, and building better lives for their families. Albert's mission is to create jobs and make the American Dream possible for his employees. He's having a tremendous impact on these employees' lives, and on their families and communities.

At the SBA, we have the great privilege of being a part of thousands of these success stories every year. We help empower these agents of transformation in minority communities. These people who are fueled by vision, ideas, optimism and commitment are, across our country, being enabled with capital, training, technical assistance, and revenue from government contracts that are driven by SBA programs.

Over the past year, we have made great progress advancing support of entrepreneurship in minority markets and in underserved markets, which are markets where we see higher unemployment and poverty. Based on the foundation we have laid, you will continue to see important steps forward.

Recently, I named a new head of Entrepreneurial Development, Anoop Prakash, and have given him the specific mission of improving our outreach to minority and underserved markets, as well as coordinating with partners more effectively, and establishing new partnerships. No one enters the world of small business with a full toolbox, and providing training, counseling, and technical assistance can dramatically improve an entrepreneur's chance of survival.

To fill that toolbox, we'll leverage our technical assistance partners to use on-site, one-on-one coaching and targeted training. We're also expanding our public-private partnerships to improve our outreach.

I have hired Grady Hedgespeth as the Director of Financial Assistance. Grady formerly served as the Secretary of Economic Affairs in Massachusetts and was the founder and President of the first bank-owned urban investment bank. He will lead lending and investment initiatives and is in the design phase on a mechanism to provide cheaper capital to community development lenders – once again to help drive capital formation and business growth in the areas that need it the most.

We are improving and relaunching our Community Express loan, which is designed to reach underserved markets and has historically had the highest minority participation of any SBA lending product.

Our lending programs are already an essential source of capital for minority borrowers. Last year, nearly \$7 billion went to more than 34,000 minority-owned businesses – that's 1/3 of our entire loan program and a record for the agency. These are funds that banks would have been unlikely to lend without our guarantee. Our minority loan volume is growing fast and will continue to, because of what we are doing.

Today, every SBA office has a performance goal to make loans in underserved markets and has incentives for minority loans.

Of course, in addition to helping banks reach more minority borrowers, one of the main ways the SBA supports minority businesses is through the 8(a) Business Development Program. This 9-year program for economically and socially disadvantaged business owners fosters the firm's growth in a variety of ways: through technical and management experience, and with support in the federal procurement process.

In 2006, socially and economically disadvantaged firms, of which 8(a) is a subset, received almost \$23 billion in Federal contracting obligations.

Many of you have used our 8(a) program, and, I must confess, it's not always the easiest process to navigate. But that's changing:

- We have dramatically reduced the time it takes to get certified in the program, and are providing much greater assistance to applicants.
- Last month, we retrained hundreds of 8(a) specialists in our field network to provide better local support to 8(a) firms.
- We are adding Procurement Center Representatives who work with federal agencies to ensure they give small businesses a fair shake.
- And we just rolled out a new online tool to help procuring agencies find 8(a), HUBZone and other targeted businesses that meet their needs on specific contracts.



Why do I go through all of these initiatives? Because we have a central role to play in the success of minority entrepreneurs; we are honored to have that role; and we are taking big steps forward to expand that role.

You understand the power of entrepreneurship because you have lived it. I don't have to convince you of that. We want to enable the tremendous growth in minority entrepreneurs that our country needs because we know that rich diversity will spark job growth, wealth creation, opportunity and greater innovation in the American economy.

As you think about where to go from here and about the future of your business, remember the aspiration that got you where you are today.

If you are at a point where your business is operating comfortably, don't stop there. Continue to innovate if you have new product or service ideas. Expand locally or even into a new community. Use your skills to start another business, creating more jobs and opportunities.

Look at export opportunities. Foreign markets are more open to U.S. exports than ever before, because of free trade agreements, the ease of communication, and the ability to ship goods more cheaply. Small businesses are taking advantage of foreign markets like never before and reaping tremendous gains.

As you benefit from expansion, you will have the resources to be a good employer – training and developing your people; providing them with access to healthcare, and giving them and their families a bright future.

As you think about where to locate, where to hire, where to invest, think about the impact your decisions will have on our communities, and go where there is a need.

We want you to think big because it means jobs for Americans, greater competitiveness in the global marketplace, and transformation in our communities.

America needs your ideas, your creativity and your courage. I'm excited about the passion and enthusiasm I see in this room. I believe that what we are doing at SBA is making a real difference, empowering real change in underserved areas of our country, and I think that together, we can expand upon the gains we've made and continue to create new opportunities for minority entrepreneurs all across America.

[Break]

Now, it's my pleasure and honor to make two award presentations. Before I do that, I want to personally congratulate our 10 Regional Minority Business Persons of the Year. Please stand as I call your name and if you would all hold your applause till the end that would be appreciated.

- Region I: Theodore Hsu, owner of Horizon Services Corporation, in East Hartford, CT
- Region II: Rafael Collado, of Phacil Inc. in Camden, NJ.
- Region III: Lani Hay of Lanmark Technology, in Fairfax, VA. Lani is also the winner of the National Minority Small Business Person of the Year Award.
- Region IV: Kathy D. Smith of NetGain Corporation in Knoxville, TN.
- Region V: R. Keith Harding, founder of Ryan Consulting Group, Inc. in Indianapolis.
- Region VI: Donn Weise of TSAY Construction & Services in San Juan Pueblo, NM.
- Region VII: Pearl Gill of Ascott Transcription Service, Inc. in Cedar Rapids, IA.
- Region VIII: Claudia R. Samuel of Samuel Engineering, Inc. in Greenwood Village, CO.
- Region IX: Marie Willis, owner of MW Services, Inc. in Murrieta, CA.
- And in Region X, from Seattle, Donald I. King, owner of DKA, Inc.

- And, in addition, I want to personally congratulate our 8(a) Graduate Firm of the Year: Kelly's Cleaning Service, founded by Orneth La Corbiniere

Now on to the awards. The Administrator's Leadership Awards, which I have the privilege of announcing, recognize the recipients for their tireless efforts and unwavering commitment on behalf of the nation's minority small business community.

This year's first Leadership honoree goes to a man who has worked for 30 years to support minority business enterprises, both in the private and the public sector. From 1991-93 he served as associate director of Department of Agriculture's [then] Office of Advocacy and Enterprise, responsible for the Office of Small and Disadvantaged Business Utilization. He now serves at the director of the Office of Small and Disadvantaged Business Utilization.

It's my great pleasure to award the Administrator's Leadership Award to this tireless champion of minority small business, Jim House.

Our second Leadership Award honoree is a distinguished public servant. He served as President Bush's Ambassador to the Vatican before taking over as the Secretary of Veterans Affairs in 2005. In that role, as I've learned while working with him, he has been a staunch advocate of America's military heroes, and veteran and minority small business owners. His dedication, hard work and passion for this nation will be missed when he leaves government service later this month. Please help me in congratulating the Secretary of Veterans Affairs, Jim Nicholson, for his tremendous work on behalf of America's minority small business owners.